

THE FUND *ADVISOR*

The Southeast Virginia Community Foundation

WINTER 2017/18



TURNING PROPERTY GAINS INTO COMMUNITY GOOD

When Dr. H. Dale Sponaugle retired in 1998, he left a building at 3603 County Street in Portsmouth that once housed his private ophthalmology practice, Tidewater Eye Surgeons and Associates. He would gift the property, valued at \$1.1 million, to the Southeast Virginia Community Foundation in 2012 and to date, it is the largest gift in the Foundation's history.

For many years, the office served the residents of Portsmouth and surrounding communities. Portsmouth though wasn't always home to Dr. Sponaugle and his wife, Orva. As many do, the Sponaugles adopted Portsmouth as their home after he served a tour of duty here with the Navy. "It was a great place to raise a family and be part of a caring community," Dr. Sponaugle said. They, and other individuals and families like them, wanted to give back to the community that had treated them well, so the Sponaugles found a way to ensure their heartfelt giving would have the most impact.

For several years, the Southeast Virginia Community

Foundation (SEVACF) leased the building to Oasis Opportunity Center, which helped homeless people in Portsmouth gain job skills and find employment opportunities so they can lead independent and ultimately more meaningful lives.

SEVACF recently sold the property, with the proceeds used to create the Dr. H. Dale Sponaugle Family Designated Fund. Earnings will be distributed to deserving nonprofits throughout Southeast Virginia to continue the good work by the Sponaugles. "We are happy that the property will continue to serve the health needs of the area," says Dr. Sponaugle. "Possibly, down the road, we will be able to add to the gift."



The Association of American Physicians of Indian Origin Hampton Roads created an endowment in 2015 and it continues to grow..

THE POWER OF ENDOWMENT

How one organization is making a difference in the lives of others

Have you ever wished you could make a gift that would continue giving even after you're gone?

When you create a permanent endowment through the Southeast Virginia Community Foundation, you can do just that. Your gift is invested over time, and earnings become grants to address community needs.

The Association of American Physicians of Indian Origin Hampton Roads (AAPI-HR, www.aapihr.org) is a wonderful example of the power of endowment.

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THE POWER OF ENDOWMENT

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In December 2015, they created an endowment through our Match program with \$50,000 in assets. They were matched with a combined \$50,000 from the Southeast Virginia Community Foundation and the TowneBank Foundation, instantly doubling their endowment to \$100,000. The fund also began earning income so it grew in value.

Through an annual fundraiser, For the Love of Giving gala, AAPI continues to add to their fund. Their goal is to raise a minimum of \$500,000 to further their mission of improving healthcare for the underserved.

AAPI-HR has impacted the community for more than 20 years by providing health camps and donations to local free clinics as well as setting up scholarships between Old Dominion University and Eastern Virginia Medical School benefitting medical school students, physician assistants, and nurse practitioners. The association boasts over 150 individuals and organizations of physicians, dentists and other medical scientists of Indian heritage residing and practicing in all localities of the Hampton Roads area and the Outer Banks in North Carolina.

What is perhaps more impressive is the \$820,835 they have donated to help address health care needs since the gala began in 2009. The annual health camp served 500 people with more than 100 health care professionals in 2016 alone. All of this made AAPI-HR well-suited for the Association of Fundraising Professional Hampton Roads Chapter's "2017 Outstanding Community Organization," an award given to non-profit organizations doing exemplary work.

Are you considering how you can make a difference?
Consider establishing an endowment with us at the
Southeast Virginia Community Foundation.

Call us at 757-397-5424 to get started today.



Dear Friends,



'Tis' the season! We who call Southeast Virginia home have much for which to be thankful. We live in a unique area; one that is made up of over a dozen different cities, each with their own distinct properties, nestled together to create one vibrant region. When it comes to quality of life here, the possibilities are boundless. This region combines a wealth of exceptional resources with our pristine beaches and serene wooded sanctuaries. We have urban centers and rural countryside. There are numerous historical assets and state-of-the-art modern amenities, a burgeoning arts scene and countless local restaurants all contributing to a dynamic population and diverse economic infrastructure.

As a community foundation, it is our job to protect and leverage these resources to improve the quality of life for all those who live here, both now and in the future. We pride ourselves on being a facilitator of philanthropy; a force for good. We have been able to do that for more than 50 years because of the strong foundation laid by the leaders who have come before us and the donors who continue to make an impact on our community. We can't predict the future, but we can position our community for a strong future thanks in part to our vast-growing programs and initiatives.

Working with good people doing good work is at the heart of what we do. The past few months have been a transition period for the Foundation as we have relocated and expanded our offices from the Churchland area to Downtown Portsmouth and the Greenbrier area of Chesapeake. We're now represented in the very two cities that came together in 2010 to form the Southeast Virginia Community Foundation. In this pioneering move, we've continued to celebrate the good we experience every day while building upon our strong history and looking toward future possibilities.

We are committed to ensuring that we will be a force for good in the region for many years to come. Our passion lies in serving and supporting our community, from philanthropists to nonprofits, who live, work, play and call Southeast Virginia home. We look forward to the journey ahead and to seeing the lasting impact on our community.

Sincerely yours,

Handwritten signature of Timothy S. Culpepper in black ink.

TIMOTHY S. CULPEPPER
President, Board of Directors

Handwritten signature of R. Stephen Best, Sr. in black ink.

R. STEPHEN BEST, SR.
Chief Executive Officer

MAKING TAX REFORM WORK FOR YOU

6 charitable moves to consider before year-end

The potential changes in the proposed Tax Cuts and Jobs Act (TCJA) are extensive and far-reaching. Given that the House and Senate versions are not identical, there is no way to predict precisely where it will go. However, the plan does raise the standard deduction, which means that going forward taxpayers will need to provide more itemized deductions in order to receive the tax benefit of excess deductions. You might want to consider these six charitable planning moves before the end of the year given expected changes.

IF YOU *ITEMIZE* YOUR TAXES:

1. Donate highly appreciated stocks or mutual funds. The stock market has been on a terrific run, and you may have highly appreciated stocks or mutual funds that you are holding on to because you do not want to pay capital gains taxes. By donating appreciated investments to a qualifying non-profit, including the Southeast Virginia Community Foundation, you avoid paying the capital gains tax and can take a deduction for the fair market value of the investments. If you are considering gifting mutual funds, do so before they declare their year-end dividends and capital gains and you will save on taxes by avoiding that income as well. While your deduction is limited to 50% of your Adjusted Gross Income (AGI), you can carry the unused portion to future tax years.
2. Consider bumping up this year's contributions: essentially, make contributions that you would have made in 2018 before the end of 2017. The rationale here is that your tax rate is likely to be lower next year than it is this year due to the TCJA, so every additional dollar given this year is deducted against your higher current 2017 rate.
3. If you want to create a legacy or are unsure of where to contribute, use a Community Foundation or Donor Advised Fund (DAF) to max out your contributions. For example, if you give \$50,000 to a DAF, you can deduct the entire amount now but designate your gifts and charities over time. You can invest the portion of your DAF that is not immediately donated to a specific charity, creating the potential for even greater giving in the future. You can establish a DAF with the Southeast Virginia Community Foundation for as little as \$5,000. Contact any of our staff for more information!
4. If you are considering an even larger donation, or are interested in asset-protection, you may want to consider creating either a charitable lead or remainder trust. With a charitable remainder trust, you get a deduction for your gift now; generate an income stream for yourself for a determined period of time; and at the expiration of that term, the remainder of the donated assets is distributed to your favorite charity or charities. A charitable lead trust is essentially the inverse of the remainder trust: you get a deduction for your gift now; generate an income stream for one or more charities of your choice for a determined period of time; and at the expiration of that term, you or your chosen beneficiaries receive the remaining principle. The deduction you receive is based on an interest rate, and the low current rates makes the contribution value high.
5. Donate your extra property, clothes, and household items to charity. Make time to clean out your closets, spare bedroom and garage, and donate those items to one of the many charitable organizations in our area. CHKD, Salvation Army, Purple Heart, ForKids, and Hope House are just a few organizations that will take old clothes, appliances, household items and furniture. Some of them will even come to you to pick up items. Make sure to ask the charity for a receipt and keep a thorough list of what you donated. You can use garage sale or thrift store prices to assign fair market values to the donated items, or you can use online programs (such as itsdeductible.com) to figure out values.

IF YOU'RE *OVER THE AGE* OF 70 1/2:

6. Make a Qualified Charitable Distribution (QCD). We discussed this charitable donation method in detail in a column last year, which can be found here: www.sevacf.org/blog. Essentially a QCD allows you to donate all or a portion of your IRA Required Minimum Distribution to a qualifying charity. The donated amount is not included in your taxable income and also helps to lower your income for certain "floors" like social security benefit taxation and Medicare Part B and Part D premiums. QCDs are very tax-efficient ways to make charitable donations.

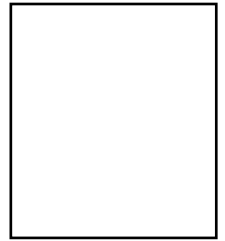


By Stephen Korving, CFP, Korving & Company, LLC, www.korvingco.com | SEVACF Board of Directors

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